

Index Sheet

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Rec Date:

Org Date: 10/30/2012

School Year: 2012

ACN:

PRCN: 201240728007

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October 30, 2012

Mr. David Pauldine
President
DeVry University
3005 Highland Parkway
Downers Grove, IL 60515-5799

UPS: Tracking #1ZA5467Y0196769226

RE: **Final Program Review Determination**
OPE ID: 01072700
PRCN: 201240728007

Dear Mr. Pauldine:

The U.S. Department of Education's (Department's) School Participation Division – Kansas City issued a program review report on August 29, 2012 covering DeVry University's (DeVry) administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2010-2011 and 2011-2012 award years. The institution's final response was received on October 5, 2012.

The School Participation Division – Kansas City has reviewed DeVry's response to the Program Review Report. A copy of the program review report (and related attachments) and DeVry's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by DeVry upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

DeVry's responses have resolved all findings. In addition, DeVry has provided assurances that the appropriate corrective actions have been taken to resolve and prevent future occurrences of all findings. Therefore, DeVry may consider the program review closed with no further action required.

Program records relating to the period covered by this program review must be retained until the later of: the resolution of the loan(s), claim(s) or expenditure(s) questioned in the program

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OPE ID 01072700
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review [34 C.F.R. § 668.24(e)(3)(i)] or the end of the retention period applicable to the record [34 C.F.R. § 668.24(e)(1) and (e)(2)].

If you have any questions please call Joy Frazier at (816)-268-0517.

Sincerely,

(b)(6)

Ralph LoBosco
Director, Kansas City School Participation Division

Enclosure: Program Review Report (with attachments)
DeVry's Response to the Program Review Report

cc: Michelle Stipp, Financial Aid Administrator
Illinois Board of Higher Education
North Central Association of Colleges and Schools

Prepared for
DeVry University

OPE ID 01072700
PRCN 201240728007

Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division – Kansas City

Program Review Report

August 29, 2012

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A. Institutional Information

DeVry University
3300 North Campbell
Chicago, IL 60618-5994

Type: Proprietary

Highest Level of Offering: Master's or Doctor's Degree

Accrediting Agency: North Central Association of Colleges and Schools

Current Student Enrollment: 70,320 (2011-2012)

% of Students Receiving Title IV: 87% (2011-2012)

Title IV Participation: G5

| | 2010-2011 |
|--------------------------------------------------------|-------------------|
| Federal Pell Grant | \$ 265,237,391.00 |
| Academic Competitiveness Grant (ACG) | \$ 1,737,348.00 |
| Federal Direct Subsidized Loan Program | \$ 386,162,645.00 |
| Federal Direct Unsubsidized Loan Program | \$ 548,498,256.00 |
| Federal Direct Plus Loan Program | \$ 37,273,025.00 |
| Federal Family Education Subsidized Loan Program | \$ 38,733.00 |
| Federal Family Education Unsubsidized Loan Program | \$ 63,390.00 |
| Federal Supplemental Educational Grant Program (FSEOG) | \$ 9,110,149.00 |
| Federal Work Study Program (FWS) | \$ 5,362,070.00 |

| | | |
|-----------------------|------|-------|
| Default Rate FFEL/DL: | 2009 | 14.2% |
| | 2008 | 10.2% |
| | 2007 | 9.0% |

B. Scope of Review

The U.S. Department of Education (the Department) conducted an off-site program review of DeVry University (DeVry) from July 30, 2012 to August 3, 2012. The review was conducted by Ms. Joy Frazier.

The focus of the review was the institution's compliance with verification requirements and the associated reporting requirements. The review consisted of an examination of DeVry's students selected for verification by the Central Processing System (CPS) and how DeVry reports verification status codes through the Common Origination and Disbursement (COD) system. In addition, student files were reviewed to check the completeness of the verification process.

A sample of 30 files were identified for review from the 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds that were selected for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning DeVry's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve DeVry of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

C. Findings

During the review, one area of noncompliance was noted. The finding of noncompliance is referenced to the applicable statutes and regulations and specific actions to be taken by DeVry to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1. Verification Violations

Citation: The purpose of verification is to ensure accuracy in determining a student's eligibility for Title IV, HEA program funds. If a student is selected for verification, an institution is responsible for confirming information reported on the student's application for Federal student aid, as well as resolving any conflicting information that presents itself regarding the application. The five required data elements that must be verified are: (1) household size; (2) number enrolled in college; (3) adjusted gross income (AGI); (4) U.S. income tax paid; and (5) other untaxed income and benefits. Supporting documentation collected from the student or parents is compared to the information that was reported on the student's ISIR. An institution must retain in the student's file any verification documentation it collects to serve as evidence that it completed the verification process. 34 C.F.R. § 668.16 (f); 34 C.F.R. § 668.24 (c)(1)(i); 34 C.F.R. § 668.56.

Furthermore, when an institution disburses a Federal Pell Grant, the student's verification status must be reported through Common Origination and Disbursement (COD). The institution must update COD with the appropriate code: "V", the student was selected by the Central Processing System (CPS) or the institution and was subsequently verified; "S", the student was selected for verification by the CPS but the institution did not perform verification; Blank, the student was not selected by the CPS or the institution and verification was not performed. *2010-2011 and 2011-2012 Federal Student Aid Handbook, Application and Verification Guides.*

Noncompliance: DeVry failed to report the correct verification status code for Students #3, #5, and #12 appropriately. The students identified did not have a status code reported in COD even though the student's ISIR was selected for verification and documents provided by the institution indicated verification was completed.

Required Action: DeVry must review a COD report of students selected for verification by CPS for the 2010-2011 and 2011-2012 award years that have a blank verification status code. DeVry must update the verification status codes in COD for all students identified on the aforementioned report. DeVry must submit a listing of correct student records and updated policies and procedures to address this concern in its response to this program review report.

Appendix A: Student Sample

2010-2011 Award Year

Student Name

Student's SSN

(b)(6); (b)(7)(C)

2011-



3005 Highland Parkway
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Illinois 60515-5799
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800-733-3879
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October 5, 2012

Federal Student Aid
School Participation Division – Kansas City
8930 Ward Parkway
Kansas City, MO 64114-3329

Attn: Joy Frazier

RE: DeVry University –
OPEID 01072700
PRCN 201240728007

Dear Ms. Frazier,

Finding 1 Verification

DeVry University failed to report the correct verification status code for Students #3, #5, and #12 appropriately. The students identified did not have a status code reported in COD even though the student's ISIR was selected for verification, and documents provided by the institution indicated verification was completed.

Required Action:

DeVry University must review a COD report of all students selected for verification by CPS for the 2010-2011 and 2011-2012 award years that have a blank verification status code. DeVry must update the verification status codes in COD for all students identified on the aforementioned report. DeVry must submit a listing of correct student records and updated policies and procedures to address this concern in its response to this program review report.

Institution's Response:

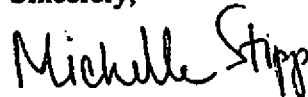
DeVry University concurs with the finding, and has completed the review and updates as required. A total of 1,931 student records were updated with the correct status code. The failure to report the correct status code was attributed to one of the three reasons:

- In 1,421 of 1,931 instances a financial aid management system error was identified as not updating the verification status code when a Pell recipient was selected for verification on a subsequent ISIR and the original award was unchanged by the verification. The system has been modified to update the status code with all subsequent ISIR's with a verification flag.
- In 437 of 1,931 instances the student was enrolled at DeVry and FSA funds were disbursed using an ISIR not selected for verification. After the student had withdrawn or graduated from DeVry, a subsequent ISIR were received with a verification flag. In these instances verification was not required and a blank status was acceptable. However, our updated processes will result in a "S" status being reported for the instances going forward.
- In 73 of 1,931 instances the student did not complete verification prior to his or her last date of attendance at DeVry University.

Enclosed you will find a listing of all students identified in the review. The University has implemented new control procedures that will include a monthly review of the "Verification Status Report" designed to assist schools with early intervention (see attached).

If you have any questions please do not hesitate to contact me at mstipp@devry.com or (630)353-7002.

Sincerely,



Michelle Stipp
Director, Regulatory Affairs
DeVry Inc.

attachments